

INFORMATION SERVICES

BUDGET UNIT: COMPUTER OPERATIONS (IAJ ALL)

I. GENERAL PROGRAM STATEMENT

The Computer Operations Division is comprised of five Sections: Technology Production Control, Integrated Document Management, Wide Area Network, Local Area Network, and Systems Support Services. The division supports county departments on a 24/7 basis.

Technology Production Control Section is tasked with the administration and support of the county's enterprise servers, departmental mid-range computers, and over 140 client-server computer systems. The section is responsible for maintaining a stabilized environment for the enterprise data center, cross system platform automation, report distribution and disaster recovery.

The Integrated Document Management Section operates the integrated document management, document conversion, data entry and microfilm for the county. The Systems Support Services Section centralizes and physically consolidates the infrastructure and administration to support the efficient management of countywide servers.

The Wide Area Network (WAN) Section provides the communications infrastructure for interconnecting all county departments and provides support for approximately 20,000 users. The Local Area Network (LAN) Section provides departmental support for the management of local networks connecting computers within buildings.

The Computer Operations budget unit is an Internal Service Fund (ISF). As an ISF, any unrestricted net assets available at the end of a fiscal year are carried over to the next fiscal year and are used as working capital and for replacement of fixed assets. Any excess or shortage is incorporated into the rate structure.

II. BUDGET & WORKLOAD HISTORY

| | Actual 2001-02 | Budget 2002-03 | Actual 2002-03 | Budget 2003-04 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| Total Operating Expense | 18,457,651 | 20,177,069 | 17,682,633 | 19,031,142 |
| Total Financing Sources | 19,440,566 | 20,177,069 | 20,806,164 | 15,981,129 |
| Revenue Over/(Under) Expense | 982,915 | - | 3,123,531 | (3,050,013) |
| Budgeted Staffing | | 154.4 | | 125.4 |
| Fixed Assets | 1,123,668 | 2,879,261 | 1,030,042 | 1,522,046 |
| Unrestricted Net Assets Available at Yr End | 7,275,075 | | 5,414,070 | |
| <u>Workload Indicators</u> | | | | |
| PC Users/E-Mail Customers | 15,463 | 14,467 | 14,970 | 14,697 |
| Record Keyed | 19,023,588 | 19,901,199 | 18,516,399 | 21,065,667 |
| Dist. Depart. Sys. Sup. Bill. Hrs. | 10,328 | 6,868 | 7,821 | 3,767 |
| Telepro. Sup. Billable Hrs. | 6,117 | 7,146 | 5,189 | 3,600 |
| WAN Connections | 359 | 363 | 371 | 370 |
| CPU Hours | 17,621 | 13,630 | 17,973 | 17,902 |
| PC Desktop Billable Hours | 19,369 | 26,299 | 16,432 | 20,000 |

Expense variance resulted from customer reduced service demands due to budget cutbacks, hiring, and fixed asset freeze. Material purchases, non-fixed asset equipment purchases, training, equipment maintenance, and equipment leases were all cutback to reduce overall cost. The decreased expense resulted in reduced revenue; however, a one-time operating transfer in for the GIS project resulted in revenue exceeding budget.

INFORMATION SERVICES

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

Budgeted staffing has been reduced by 29.0 vacant budgeted positions.

Salaries and benefit cost for 24.0 positions totaling \$1,122,385 was deleted in order to manage to projected workload changes, decreased service revenues, and to help offset cost increases in other expense areas. Changes included the deletion of 6.0-Automated Systems Analyst I; 1.0-Automated Systems Analyst II; 1.0-Chief Data Entry Supervisor; 3.0-Clerk II; 3.0-Computer Operator; 1.0-Data Control Clerk III; 2.0-Data Entry Operator II; 1.0-Data Processing Scheduler; 3.0-P1-Product Analyst; 3.0-Product Specialist and 1.0-Programmer Analyst III X-Help. Decreases were offset slightly by increased overtime usage equivalent to 1.0 budget position.

Per Board direction of 5.0 vacant budgeted positions that were not in recruitment were also deleted during budget adoption.

PROGRAM CHANGES

Staffing and the purchase of services and supplies were reduced to bare minimum levels to hold current year service rates the same and to help offset cost increases.

Services and supplies cost in computer software, equipment purchases, training, equipment rental, and interest expense budgets were decrease by \$1,417,639. These reductions were required to offset declining revenues and cost increases of \$1,166,976 for inflation and insurance; higher cost to maintain internal business applications; GIS parcel base map costs; increase in administrative support costs; increased equipment depreciation expenses; and to establish a Quality Assurance (QA) program. COWCAP budget was reduced by \$110,592 to reflect actual cost allocation of the plan.

The above changes are necessary to maintain a break-even status with projected service revenues, which are declining.

Service revenue projections have decreased by \$1,483,640 in anticipation of further service impacts of future state budget cuts in user departments.

Fixed asset equipment purchases decreased by \$1,357,215 to reflect current requirements; fully amortized lease purchase equipment loans; and budget constraints.

INFORMATION SERVICES

GROUP: Administrative/Executive
DEPARTMENT: Information Services - Computer Operations
FUND: Internal Services IAJ ALL

FUNCTION: General
ACTIVITY: Computer Operations

| | 2002-03 Actuals | 2002-03 Approved Budget | 2003-04 Board Approved Base Budget | 2003-04 Board Approved Changes to Base Budget | 2003-04 Final Budget |
|-----------------------------------|--------------------|----------------------------|--|--|-------------------------|
| <u>Appropriation</u> | | | | | |
| Salaries and Benefits | 8,379,722 | 9,598,469 | 10,410,457 | (1,377,584) | 9,032,873 |
| Services and Supplies | 9,437,629 | 10,439,585 | 10,439,585 | (68,184) | 10,371,401 |
| Other Charges | 37,990 | 36,446 | 36,446 | (8,151) | 28,295 |
| Total Exp Authority | 17,855,341 | 20,074,500 | 20,886,488 | (1,453,919) | 19,432,569 |
| Reimbursements | (858,368) | (856,920) | (856,920) | 22,863 | (834,057) |
| Depreciation | 685,660 | 959,489 | 959,489 | (526,859) | 432,630 |
| Total Operating Expense | 17,682,633 | 20,177,069 | 20,989,057 | (1,957,915) | 19,031,142 |
| <u>Revenue</u> | | | | | |
| Current Services | 18,078,073 | 20,177,069 | 17,464,769 | (1,483,640) | 15,981,129 |
| Operating Transfers In | 2,728,091 | - | - | - | - |
| Total Financing Sources | 20,806,164 | 20,177,069 | 17,464,769 | (1,483,640) | 15,981,129 |
| Revenue Over/(Under) Exp. | 3,123,531 | - | (3,524,288) | 474,275 | (3,050,013) |
| <u>Fixed Asset Expense</u> | | | | | |
| Equipment | 703,701 | 2,143,225 | 2,143,225 | (912,643) | 1,230,582 |
| Equip/Lease Purchase | 326,341 | 736,036 | 736,036 | (444,572) | 291,464 |
| Total Fixed Assets | 1,030,042 | 2,879,261 | 2,879,261 | (1,357,215) | 1,522,046 |
| Budgeted Staffing | | 154.4 | 154.4 | (29.0) | 125.4 |

Total Changes Included in Board Approved Base Budget

| | | |
|-----------------------|----------------|-------------------------------|
| Salaries and Benefits | 279,278 | MOU. |
| | 518,511 | Retirement. |
| | 14,199 | Risk Management Workers Comp. |
| | <u>811,988</u> | |

Revenue

| | | |
|-------------------------------------|--------------------|--|
| Current Services | <u>(2,712,300)</u> | Decrease in CPU and infrastructure rate for 2003-04. |
| Total Operating Expense | 811,988 | |
| Total Financing Sources Change | (2,712,300) | |
| Total Revenue Over/(Under) Exp | (3,524,288) | |
| Total 2002-03 Operating Expense | 20,177,069 | |
| Total 2002-03 Financing Sources | 20,177,069 | |
| Total 2002-03 Rev Over/(Under) Exp | - | |
| Total Base Budget Operating Exp | 20,989,057 | |
| Total Base Budget Financing Sources | 17,464,769 | |
| Total Base Rev Over/(Under) Exp | (3,524,288) | |

Service rates for CPU and Infrastructure services were decreased to return \$2,712,300 in retained earning to users of this fund. Base Year increases in MOU, Retirement and Worker Comp cost totaling \$811,988 were absorbed without any offsetting rate increases.

INFORMATION SERVICES

| Board Approved Changes to Base Budget | | |
|--|--------------------|---|
| Salaries and Benefits | (1,122,385) | Decreased to reflect deletion of 25.0 positions and increased overtime usage of 1.0 position. |
| | (255,199) | Deletion of 5.0 vacant budgeted positions during budget workshop. |
| | <u>(1,377,584)</u> | |
| Services and Supplies | | |
| Computer Software Expense | (286,772) | Decreased for cost savings purposes and reduced users projected requirement. |
| Inventoriable Equipment | (447,256) | Decrease for cost saving purposes and projected user needs. |
| Training | (171,469) | Decreased for cost savings purposes. |
| COWCAP | (110,592) | Decreased allocation per approved plan. |
| Distributed Dp Equipment | (300,331) | Decreased to user projected needs and cost savings purposes. |
| Purchase of Material | 256,934 | Increased cost for paper, tape, and other computer supplies. |
| Insurance & Other General Svcs | 221,592 | Increased cost for insurance and other business related expenses. |
| Transfers | (32,278) | GASB 34 Accounting Change (EHAP). |
| Rents & Leases-Equipment | (203,660) | Decreased reflecting lease to purchase conversion and reduced projection by ISF users. |
| Application Development Svcs | 567,876 | Increased to reflect current cost of maintaining internal business systems, GIS parcel basemap support and to establish a Quality Assurance function. |
| | 437,772 | GIS parcel base map project |
| | <u>(68,184)</u> | |
| Other Charges | <u>(8,151)</u> | Reduced interest on fully paid loans. |
| Total Exp Authority | <u>(1,453,919)</u> | |
| Reimbursements | (9,415) | Decrease in projected reimbursements of internal administrative cost allocation among ISD operating divisions. |
| | 32,278 | GASB 34 Accounting Change (EHAP). |
| | <u>22,863</u> | |
| Depreciation | <u>(526,859)</u> | Depreciation expense for full year of new purchases. |
| Total Operating Expense | <u>(1,957,915)</u> | |
| Revenue | <u>(1,483,640)</u> | Decreased to reflect projected reduction in service revenues. |
| Revenue Over/(Under) Exp | <u>474,275</u> | |
| Fixed Asset Expense | | |
| Equipment | <u>(912,643)</u> | Decrease to reflect current need for capital equipment. |
| Equip Lease-Purchase | <u>(444,572)</u> | Reduced principal payment portion for fully paid loans. |
| Total Fixed Asset | <u>(1,357,215)</u> | |